Pending court cases of Punjab National Bank, Calcutta

2598. SHRI GHUFRAN AZAM: Will the Minister of FINANCE be pleased to state:

(a) whether the Punjab National Bank, Calcutta have not taken any concrete steps to sort out the court cases pending against some loanees on account of transport;

(b) whether such cases have been pending for about a decade;

(c) whether Government would direct the bank to avoid expenses on account of futile litigation; and

(d) if so, the facts thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. ABRAR AHMED): (a) and (b) Punjab National Bank have reported that they take all possible steps for expediting decisions in pending Court cases. Where proposals are received from borrowers for compromise|settlement, these are considered on merits.

(c) and (d) The public sector banks resort to filling of suits against borrowers only when they are otherwise unable to recover outstanding dues.

Growth of capital goods industry

2599. SHRI SOM PAL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the manufacturing sector of our economy is currently growing at 2.5 per cent per annum;

(b) whether it is also a fact that consumer durable sector is growing faster than the capital goods industry;

(c) if so, what are the comparative rates of growth of capital goods industry and the consumer durable goods industry in the current year;

(d) what are the reasons for this lop-sided growth;

(e) what is being done to correct the imbalance, especially to give a boost to capital goods industry;

(f) whether the tariff structure applicable to capital goods is responsible for the sluggish growth of this section of manufacturing industry; and

(g) if so, what is being done in that regard;

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. ABRAR AHMED): (a) to (c) The rates for growth for manufacturing, consumer durables and capital goods sector for April—November 1993 over the corresponding period of last year as per provisional index of industrial production (Base: 1980-81) are given below:

(in per cent)

April-November, 1993	Manufacturing	Capital Goods	Consumer Durables
	1.1	—8.0	13.1

(d) to (g) The moderate growth of manufacturing sectors is attributable to a number of factors such as inherent adjustment lags in the process of restructuring, lower demand and high rates of interest. The poor performance of capital goods sectors is attributable to a fall in investment demands, particularly due to social disturbances during December-March 1992-93 and relatively high interest rates and expectations of further reduction in duty rates.

The Finance Minister has proposed several measures in the Budget for 1994-95 to revive the growth of manufacturing sectors, particularly capital goods. These include:

—Reduction in the basic customs duties on project imports and general capital goods from 35 per cent to 25 per cent. Extension of the facility of project imports to include port development.

—Reduction of import duty on parts, whether imported as parts of original equipment, or as spares to 25 per cent from the present rates varying from 25 per cent to 85 per cent. Continuation of zero and 20 per cent import duty respectively an fertiliser projects and power projcets.

—Imposition of countervailing duty on imports of capital goods at a rate equivalent to the excise duty on domestic capital goods.

—Extension of Modvat to capital goods so that full credit of excise duty paid on domestic capital goods or countervailing duty paid on imported goods will be available at one time.

—Simplification of the structure of duties on machine tools by charging duty at 35 per cent or 45 per cent from the present rates of 40 per cent, 60 per cent and 80 per cent

—Reduction of corporate tax rates from the present level of 45 per cent on widely held companies and 50 per cent on other domestic companies to 40 per cent on both widely held companies and closely held domestic companies and reduction of corporate tax from 65 per cent to 55 per cent on companies incorporated abroad, but earning income in India.

—Reduction of long term capital gains tax on domestic companies from 40 per cent to 30 per cent.

—Reduction in the minimum lending rate of All India Financial Institutions by one percentage point to 14 per cent exclusive of interest tax and reduction in the commercial banks' minimum lending rates on terms loans of three years and above from 15 per cent to 14 per cent.

Credit cards in the country

2600. SHRI SURINDER KUMAR SINGLA:

DR. SHRIKANT RAMCHANDRA JICHKAR:

Will the Minister of FINANCE be pleased to state:

(a) what are the names of credit cards which are presently prevalent in the country;

(b) what is the total present membership of each card;

(c) what is the procedure for starting such cards;

(d) what regulatory control exists on the cards; and

(e) whether any change is proposed in these regulations?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. ABRAR AHMED): (a) and (b) Infromation in respect of credit cards